PRESS RELEASE

Stable and solid capital ratios

- **Common Equity Tier 1 ratio "phased in" as at 31st March 2016 of 12.07%, in line with 12.08% as at 31.12.2015**
- **Total Capital ratio "phased in" of 13.87% (13.93% as at 31.12.2015)**
- **On a pro forma basis to include a €750 million issuance made at the beginning of May 2016, the Total Capital ratio stands at approx. 14.9%[1]**
- **Common Equity Tier 1 ratio "fully loaded" estimate of 11.73% (up vs 11.62% as at 31.12.2015)**
- **Leverage ratio "phased in" of 5.99% and "fully loaded" of 5.85%**
- **NSFR and LCR >1**

The income statement

Consolidated profit of €42.1 million, inclusive of the ordinary contribution to the Resolution Fund amounting to €21.1 million net of tax and non-controlling interests, not present in 1Q 2015, which ended with profit of €75.9 million (a loss of €45.2 million in 4Q 2015)

1Q 2016 vs 4Q 2015:

- **the recovery in the result for net interest income was confirmed, up 0.6% to €387.6 million as result of growth in business with customers (+1.9% to approximately €331 million) driven by a slight recovery in lending and a firm spread (173 basis points vs 172 basis points in the 4Q 2015);**
- **net fee and commission income of €337.1 million, +2% on 4Q 2015;**
- **a finance result of €15.7 million (€69.5 million in 4Q 2015 net of non-recurring items);**
- **staff costs of €319.8 million (-0.8% on 4Q 2015);**
- **total operating expenses of €527.6 million (inclusive of the ordinary annual contribution of €31.9 million gross to the Resolution Fund) compared with €633.1 million in 4Q 2015 (which included the ordinary and the extraordinary contribution to the Resolution Fund and the half-year contribution to the Deposit Guarantee Scheme for a total of €98.7 million);**
- **losses on loans of €155.3 million (-36.6%) amounting to 74 basis points (95 basis points for the full year 2015)**

1Q 2016 vs 1Q 2015:

- **net interest income of €387.6 million, down 10% mainly following the reduction and change in the mix of the securities portfolio but also due to the progressive fall in market interest rates;**
- **net fee and commission income of €337.1 million, largely in line with €341.2 million in 1Q 2015;**
- **a finance result of €15.7 million (€58 million in 1Q 2015);**

[1] Pro-forma to include the €750 mln Tier2 issue made in May 2016, net of outstanding Tier2 amortisation expected in 2Q2016

- **staff costs of €319.8 million (-4.5% on 1Q 2015);**
- **careful attention to costs continued: notwithstanding the inclusion in 2016 of the ordinary annual contribution to the Resolution Fund amounting to €31.9 million, not present in 2015, total operating expenses stood at €527.6 million compared with €521.4 million in 1Q 2015;**
- **losses on loans of €155.3 million (-18.3%), amounting to 74 basis points (90 basis points in 1Q 2015).**

<u>**Balance Sheet aggregates**</u>

- **Loans to customers, net of financing to the *Cassa Compensazione e Garanzia*[2], grew by 0.2% compared with December 2015 to €83.5 billion, more than offsetting the impact of the run-off portfolio**
- **Total assets under management stood at €49.1 billion, up 1.1% compared with December 2015**
- **Current accounts and deposits up to €48.6 billion (€47.7 billion as at December 2015 and €44.1 billion in March 2015)**

According to initial estimates, no economic impact is expected from the new decree on DTAs

*** * ***

Brescia, 12th May 2016 – The Management Board of Unione di Banche Italiane Spa (UBI Banca) approved the consolidated results for the first quarter of 2016, which ended with a **profit of €42.1 million, notwithstanding the inclusion of the full annual contribution to the Single Resolution Fund[3] amounting to €21.1 million net, not present in the profit of €75.9 million** earned in the first quarter of 2015.

The first quarter of the year highlighted a significant number of the Group's strengths:

- **capital solidity** was confirmed with a CET1 ratio of 12.07%, unchanged compared with year-end 2015 and 2.82 percentage points higher than the minimum requested by the ECB (9.25%). The fully loaded CET1 ratio was 11.73% and higher than the level of 11.62% recorded at year-end 2015;
- net of financing to the *Cassa Compensazione e Garanzia*[1] **loans to ordinary customers rose slightly** to €83.5 billion from €83.4 billion at the end of 2015, more than offsetting the natural reduction in the run-off portfolio;
- **total assets under management, amounting to €49.1 billion, rose 1.1% compared with December 2015**, as a result of strong inflows which more than offset the negative performance by markets;
- the **change in the mix of the securities portfolio** continued. Within the Net Financial Assets aggregate, unchanged at €19.7 billion compared with December 2015, the Italian government securities component fell further to €17.7 billion from €18.3 billion at the end of 2015;
- **new inflows from performing loans to non-performing exposures fell by 40% compared with those recorded in 1Q 2015 and by 27% compared with 4Q 2015** (this

[2] Lending to the *Cassa Compensazione e Garanzia* (CCG) came to €0.6 billion in March 2016 compared with €1.2 billion in December 2015. Total Group lending amounted to €84.1 billion in March 2016 compared with €84.6 billion in December 2015, the difference being more than accounted for by the reduction in financing to the CCG.

[3] The ordinary annual contribution to the Single Resolution Fund amounting to €31.9 million gross, €21.1 million net of tax and non-controlling interests.

performance follows on from three consecutive years of reductions in new inflows from performing to non-performing status);
- **total net non-performing exposures fell for the second consecutive quarter** to stand at €9,671 million and **coverage rose further to 37.8%,** inclusive of write-offs, compared with December 2015;
- **in economic terms, net interest income**, amounting to €387.6 million, **increased 0.6% compared with 4Q 2015, due to good performance by banking business with customers**, but was down 10% compared with 1Q 2015 as a result of the reduction and change in the mix of the securities portfolio and the fall in market interest rates. **Net fee and commission income** continued to perform positively at €337.1 million, up 2% compared with 4Q 2015 and just a little below the result for 1Q 2015. The **contribution from finance activities** stood at €15.7 million, down on both 4Q 2015 and 1Q 2015 due to poor performance by markets.
  Strong control over operating expenses continued and notwithstanding the inclusion in 1Q 2016 of approximately €32 million for the annual contribution to the Resolution fund, not present in 2015, they rose by only €6.3 million (1.2%) compared with 1Q 2015 and they contracted strongly compared with the figure for 4Q 2015, which was affected by extraordinary items.
  Finally, **net impairment losses on loans** fell to €155.3 million, down 36.6% compared with 4Q 2015 and 18.3% compared with 1Q 2015, to give an annualised loan loss rate of 74 basis points on total loans compared with 90 basis points in 1Q 2015 and 95 basis points for the full year 2015.

<u>1Q 2016 results in detail</u>

a) compared with <u>4Q 2015:</u>

The first quarter of 2016 ended with **operating income** of €772.9 million compared with €903.8 million in the fourth quarter of 2015, due solely to the decrease in the contribution from finance activities (-€136 million), while **growth was recorded in net interest income** (+€2.4 million), **net fee and commission income** (+€6.6 million) and **other operating income** (+€4.1 million).

Net interest income, amounting to €387.5 million, recovered slightly compared with €385.2 million in the previous quarter, driven by the contribution from banking business with customers, which rose to €330.8 million compared with €324.6 million in 4Q 2015, the result of a modest recovery in short term lending and a firm overall customer spread, which stood at 173 basis points (compared with 172 basis points before), notwithstanding a further decrease in interest rates (the quarterly average for the one-month Euribor fell to -26 basis points from -15 basis points before). On the other hand the component relating to the securities portfolio - net of interbank business - was affected by lower yields, although total investments remained stable (€19.7 billion, within which Italian government securities fell from €18.3 billion to €17.7 billion in a context of portfolio diversification), and came to €56.7 million compared with €60.5 million before.

Net fee and commission income increased to €337.1 million from €330.6 million before, notwithstanding the significant reduction in performance fees, down to €2.3 million from €22.5 million before, an amount which included the "against the benchmark" component, recognised only in the fourth quarter of the year. Net of those components, the item improved by €26.8 million, due to the performance by management, trading and advisory services (a total of €189.3 million, +€31.3 million)[4] and more specifically the placement of Group Sicav securities, while the fees and

[4] Inclusive of the result for fx negotiations.

commissions on the banking services component decreased slightly, partly due to the seasonal nature of the end-of-year figure (down €4.5 million to €145.5 million).

The **result for financial activities**, which fell to €15.7 million from €151.7 million in 4Q 2015, reflects the absence in 1Q 2016 of extraordinary items (4Q 2015 included €82.2 million relating to the partial disposal of the stake in ICBPI) and fewer sales of AFS securities, mainly Italian government securities (€24.6 million compared with €90.7 million in 4Q 2015).

In the first quarter of the year, **operating expenses** amounted to €527.6 million compared with €633.1 million in the fourth quarter of 2015.
These expenses included the ordinary contribution of €31.9 million to the Resolution Fund in 1Q 2016, while in 4Q 2015 they included €98.7 million of ordinary and extraordinary contributions to the Resolution Fund and to the Deposit Guarantee Scheme.
Net of those contributions, operating expenses fell by 7.2% compared with the last quarter of 2015, although the latter are always affected to a certain extent by seasonal factors.
In detail operating expenses consisted of:

- **staff costs**, amounting to €319.8 million, were down compared with €324.4 million in 4Q 2015, primarily due to changes in staff numbers.
  Under the trade union agreements signed on the 23rd December 2015 and 25 February 2016, 329 staff had left the Group as at 31st March 2016. Furthermore, in view of the surplus applications received, a new understanding was drawn up with trade unions on 29th April for the early retirement of an additional 14 staff, compared with 405 under the December 2015/February 2016 trade union agreements, with employment contracts ending from 31st May;
- **other administrative expenses**, amounting to €171.8 million, compare with €272.5 million in 4Q 2015 and include the above contributions. The reduction would be 19.4% net of those contributions in the two periods;
- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €36 million, also down by approximately €2.2 million compared with 4Q 2015, as a result of lower depreciation and amortisation on IT and real estate items.

Net impairment losses on loans fell in the period January-March 2016 to €155.3 million, compared with €245 million in the fourth quarter of 2015 to give an annualised loan loss rate of 0.74% of total net loans, compared with 0.95% recorded for the full year 2015.
The impairment losses recognised resulted in total coverage for non-performing loans of 28.3% (37.8% inclusive of loan write-offs), to give an increase of 0.46 percentage points compared with the end of 2015 and 0.66 percentage points compared with the end of March 2015.

Taxes on income for the period from continuing operations amounted to €34.4 million, compared with €33.3 million in 4Q 2015 to give a tax rate of 40.77%, compared with 55,49% before, which however included significant extraordinary items.

b) compared with <u>1Q 2015</u>

The first quarter of 2016 ended with **operating income** of €772.9 million compared with €866 million in the first quarter of 2015, due primarily to the decrease in net interest income and in income from finance activities.

Net interest income, amounting to €387.6 million, decreased 10% year-on-year, the result of a lower contribution from the securities portfolio (€59.3 million compared with €82.6 million before), following both a reduction and a change in the mix of securities investments (-€3.9 billion of Italian government securities), and of a smaller flow of net interest income from customers (€330.8 million compared with €351.9 million before), due primarily to a reduction in market interest rates. Following a reduction in the one-month Euribor from 0 to -26 basis points, the customer spread fell by 13 basis points to 173 basis points.

Net fee and commission income stood at €337.1 million, slightly down compared with €341.2 million in 1Q 2015. Within the item, fees and commissions on investment services remained unchanged at €191.6 million, notwithstanding the unfavourable trends in financial markets, while commissions on general banking services contracted slightly (€145.5 million compared with €149.6 million in 1Q 2015), while waiting for confirmation of a more incisive recovery in general banking business at sector level.

The **finance result**, amounting to €15.7 million (€58 million in the same period of 2015), was composed as follows:
- €1.5 million from trading (€27.4 million in 1Q 2015);
- €16.5 million from the disposal of financial assets (€28.4 million in 1Q 2015);
- -€1.3 million from fair value movements on financial assets designated at fair value (+€5.2 million in 1Q 2015);
- hedging activity incurred a loss of €1 million (-€3 million in 1Q 2015).

In the first quarter of the year, **operating expenses** amounted to €527.6 million, up €6.3 million on €521.4 million in 1Q 2015, notwithstanding the inclusion of the ordinary annual contribution of €31.9 million to the Resolution Fund, not present in 2015. Net of that contribution, operating expenses fell by 4.9% compared with 1Q 2015.
In detail operating expenses consisted of:
- **staff costs** of €319.8 million, a decrease compared with €334.9 million in 1Q 2015 primarily due to a reduction in average staff numbers (-372 staff on average year-on-year).
  More specifically, under the trade union agreements signed on the 23rd December 2015 and 25 February 2016, 329 staff had left the Group as at 31st March 2016. Furthermore, in view of the surplus applications received, a new understanding was drawn up with trade unions on 29th April for the early retirement of an additional 14 staff, compared with 405 under the December 2015/February 2016 trade union agreements, with employment contracts ending from 31st May;
- **other administrative expenses**, amounting to €171.8 million, included the annual ordinary contribution of €31.9 million to the Resolution Fund, and compare with €147.9 million in 1Q 2015. Net of that contribution they would also have fallen by 5.4%.
- finally, **depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets** totalled €36 million, also down by approximately €2.5 million compared with 1Q 2015, as a result of lower depreciation and amortisation on IT and real estate items.

Net impairment losses on loans fell in the period January-March 2016 to €155.3 million, compared with €190.2 million in the first quarter of 2015, to give an annualised loan loss rate of 0.74% of total net loans, compared with 0.90% before and 0.95% recorded for the full year 2015.
The impairment losses recognised resulted in total coverage for non-performing loans of 28.3% (37.8% inclusive of loan write-offs), to give an increase of 0.66 percentage points compared with the end of March 2015 and 0.46 basis points compared with the end of 2015.

Taxes on income for the period from continuing operations amounted to €34.4 million, compared with €62 million in 1Q 2015 to give a tax rate of 40.77%, compared with 41.65% before.

* * *

The balance sheet

Loans to ordinary customers as at 31st March 2016 amounted to €83.5 billion (net of exposures of €0.6 billion to the *Cassa Compensazione e Garanzia*), slightly up on €83.4 billion as at 31st December 2015 (again net of exposure to the CCG of €1.2 billion), and more than offsetting the natural decrease in the run-off portfolio (€0.2 billion in the quarter).
Within the aggregate, both mortgages and other medium to long-term loans (+€0.6 billion) and current account overdrafts (+€0.2 billion) rose, while product company lending continued to contract (-€0.4 billion).

As concerns credit quality, **total gross non-performing exposures** amounted to €13,496 million at the end of March 2016 (€13,434 million in December 2015).

At the end of March 2016, **coverage for total non-performing exposures stood at 28.34%, up 46 basis points on December 2015 and 66 basis points compared with March 2015. If loan write-offs are included, coverage for non-performing loans rises to 37.8%** (37.4% in December and March 2015).

Total net non-performing exposures fell for the **<u>second consecutive quarter</u>** to €9,671 million (€9,689 million as at 31st December 2015 and €9,872 million as at 30th September 2015).

In detail, <u>net bad loans</u> amounted to €4,347 million (€4,288 million in December 2015), accounting for 5.17% of total net loans.
Coverage for bad loans, up 33 basis points since the end of the last quarter of 2015, stood at 38.97% (compared with 38.64% at the end of 2015). If loan write-offs are included, coverage for bad loans rises to 52.63% (52.5% in December 2015).

<u>Unlikely to pay loans</u> amounted to €5,071 million net, down compared with €5,147 million at the end of 2015 (coverage rose to 17.02% from 16.71%).

<u>Net positions past due and/or in arrears</u> amounted to €254 million, more or less unchanged compared with December 2015 (coverage of 3.64% compared with 4.88% before).

Direct funding from ordinary customers, which stood at €71.1 billion in March 2016 (€72.5 billion last December), evidenced a further decrease in bonds distributed on third party networks by the former Centrobanca, progressively reaching expiry date (-€1 billion). Current accounts recorded again continuous growth (€48.6 billion compared with €47.7 billion in December 2015 and €44.1 billion in March 2015) while there was a slowdown in the placement of retail bonds (the stock amounts to €18.6 billion compared with €20.2 billion in December 2015 and €22.9 billion in March 2015) due to greater interest by customers in more remunerative forms of investment.
As a consequence, indirect funding recorded strong inflows of €0.7 billion in March 2016 compared with December 2015 and of €2.8 billion in March 2016 compared with March 2015.
As a result of negative performance by markets which affected the fair values of investments, **indirect funding stood at €77.6 billion** (€79.5 billion in December 2015), composed as follows: assets under management in the strict sense remained at €34.1 billion (unchanged compared with the end of 2015, as new inflows offset the negative market performance), insurance funding rose to €15 billion (up 4% compared with the end of 2015) and assets under custody stood at €28.5 billion (€31 billion at the end of 2015).

Direct funding from institutional customers came to €18.5 billion in March 2016, down compared with €19 billion at the end of 2015 as a result of the maturity of covered bonds (-€0.7 billion).

The solidity of the Group's liquidity position is again confirmed with ratios (Net Stable Funding Ratio and Liquidity Coverage Ratio) now higher than one for some years and **total assets eligible for refinancing,** according to the latest available data as at 5 May 2016, of **€27.3 billion** (of which €13.1 billion available), already net of haircuts.

Group exposure to the ECB consisted of a total of €8.1 billion of TLTROs, recognised under "due to banks" and therefore not included in direct funding.

At the end of March 2016, **net Group financial assets** had a mark-to-market value of €19.7 billion, of which €17.7 billion relating to Italian government securities. The latter item had fallen further compared with December 2015 (€18.3 billion) and March 2015 (€21.6 billion). The nominal value of the Italian government securities was €15 billion compared with €15.8 billion in December 2015 and €18.4 billion in March 2015.

The consolidated **equity** of the UBI Banca Group as at 31st March 2016, inclusive of profit for the period, stood at €9,920 million compared with €9,982 million in December 2015.
Finally, the **leverage ratio** calculated on the basis of Commission Delegated Regulation EU 2015/62 indications was 5.99% "phased in" and 5.85% "fully loaded".

In terms of **capital ratios**, the CET 1 ratio "phased-in" as at 31st March 2016 stood at 12.07% (12.08% as at 31.12.2015). The estimated fully loaded CET1 was 11.73% compared with 11.62% at the end of 2015.
The impact of the contribution to the "Atlante Fund", which will be recognised in the second quarter of the year, is estimated at present using a "look through" methodology at approximately 13 basis points.
The Total capital ratio "phased in" stands at 13.87% (13.93% as at 31.12.2015) and does not yet include the €750 million Tier 2 institutional issuance made at the beginning of the second quarter. Pro-form for that issuance, TCR amounts to approx. 14.9%[1].

* * *

The human resources of the UBI Banca Group totalled 17,511 as at 31st March 2016 compared with 17,716 in December 2015. The branch network at the end of period was unchanged compared with December 2015 (1,554 branches in Italy and 6 abroad).

* * *

Statement of the Senior Officer Responsible for the preparation of corporate accounting documents

Elisabetta Stegher, as the Senior Officer Responsible for preparing the corporate accounting documents of Unione di Banche Italiane Spa, hereby declares, in compliance with the second paragraph of article 154 *bis* of the *Testo unico delle disposizioni in materia di intermediazione finanziaria* (Consolidated Finance Act), that the financial information contained in this press release is reliably based on the records contained in corporate documents and accounting records.

* * *

Outlook for ordinary operations (net of non recurring items)

The slight growth in net interest income recorded in the first quarter of the year will be affected going forward by the further progressive reduction in market interest rates that has occurred since the beginning year. Action to counter this phenomenon will continue with further efforts to develop business volumes.

Net fee and commission income is forecast to continue to benefit in 2016 from the process to change the mix of total funding in favour of assets under management and to a lesser extent also from the gradual recovery in lending to customers.

In a context of greater volatility on markets, profit-taking on positive fair value reserves relating to the securities portfolio should make it possible to achieve a result in line with that of 2015.

The continuous optimisation of other administrative expenses and the recent trade union agreements should make it possible to maintain operating expenses in line with those for 2015, notwithstanding the increase in costs relating to the contribution to the European Resolution Fund and to the Deposit Guarantee Scheme.

The particularly low risk attaching to the performing loans portfolio and the continuous reduction in inflows of new non-performing loans confirm the trend towards a structural reduction in loan losses.

For further information please contact:
UBI Banca – Investor relations – Tel. +39 035 3922217
Email: investor.relations@ubibanca.it
UBI Banca – Media relations – Tel. +39 027781 4213 - 4932 - 4936
Email: media.relations@ubibanca.it
Copy of this press release is available on the website www.ubibanca.it

Attachments
Financial statements

UBI Banca Group:

- Reclassified consolidated balance sheet
- Reclassified consolidated income statement
- Quarterly evolution of reclassified consolidated income statement
- Reclassified consolidated income statement net of the most significant non-recurring items

Notes to the financial statements

To allow a vision that is more consistent with a management accounting style, reclassified financial statements have been prepared. The comments on the performance of the main statement of financial position and income statement items are made on the basis of the reclassified financial statements.

The "notes on the reclassified financial statements" contained in the periodic financial reports of the Group may be consulted for a fuller comprehension of the rules followed in preparing the reclassified financial statements.

UBI Banca Group: Reclassified consolidated balance sheet

Figures in thousands of euro	31.3.2016 A	31.12.2015 B	Changes A-B	% changes A/B	31.3.2015 C	Changes A-C	% changes A/C
ASSETS							
Cash and cash equivalents	506,194	530,098	-23,904	-4.5%	466,288	39,906	8.6%
Financial assets held for trading	966,772	994,478	-27,706	-2.8%	1,527,401	-560,629	-36.7%
Financial assets designated at fair value	194,738	196,034	-1,296	-0.7%	198,365	-3,627	-1.8%
Available-for-sale financial assets	15,699,461	15,554,282	145,179	0.9%	17,904,652	-2,205,191	-12.3%
Held-to-maturity investments	3,445,469	3,494,547	-49,078	-1.4%	3,528,010	-82,541	-2.3%
Loans and advances to banks	3,591,309	3,429,937	161,372	4.7%	3,331,195	260,114	7.8%
Loans and advances to customers	84,072,553	84,586,200	-513,647	-0.6%	84,634,175	-561,622	-0.7%
Hedging derivatives	714,946	594,685	120,261	20.2%	689,227	25,719	3.7%
Fair value change in hedged financial assets (+/-)	61,469	59,994	1,475	2.5%	66,716	-5,247	-7.9%
Equity investments	259,545	260,812	-1,267	-0.5%	254,129	5,416	2.1%
Property, plant and equipment	1,673,882	1,744,463	-70,581	-4.0%	1,711,351	-37,469	-2.2%
Intangible assets	1,747,089	1,757,468	-10,379	-0.6%	1,767,675	-20,586	-1.2%
of which: goodwill	*1,465,260*	*1,465,260*	-	-	*1,465,260*	-	-
Tax assets	2,790,272	2,814,933	-24,661	-0.9%	2,927,911	-137,639	-4.7%
Non-current assets and disposal groups held for sale	70,283	11,148	59,135	530.5%	68,798	1,485	2.2%
Other assets	895,255	1,171,686	-276,431	-23.6%	847,697	47,558	5.6%
Total assets	**116,689,237**	**117,200,765**	**-511,528**	**-0.4%**	**119,923,590**	**-3,234,353**	**-2.7%**
LIABILITIES AND EQUITY							
Due to banks	11,495,105	10,454,303	1,040,802	10.0%	12,360,302	-865,197	-7.0%
Due to customers	56,527,759	55,264,471	1,263,288	2.3%	50,817,925	5,709,834	11.2%
Debt securities issued	33,124,613	36,247,928	-3,123,315	-8.6%	40,324,315	-7,199,702	-17.9%
Financial liabilities held for trading	610,468	531,812	78,656	14.8%	740,247	-129,779	-17.5%
Hedging derivatives	1,000,034	749,725	250,309	33.4%	1,217,816	-217,782	-17.9%
Tax liabilities	427,460	472,564	-45,104	-9.5%	735,132	-307,672	-41.9%
Other liabilities	2,476,949	2,354,617	122,332	5.2%	2,435,841	41,108	1.7%
Post-employment benefits	337,289	340,954	-3,665	-1.1%	368,186	-30,897	-8.4%
Provisions for risks and charges:	255,392	266,628	-11,236	-4.2%	289,799	-34,407	-11.9%
a) pension and similar obligations	68,981	70,237	-1,256	-1.8%	79,457	-10,476	-13.2%
b) other provisions	186,411	196,391	-9,980	-5.1%	210,342	-23,931	-11.4%
Share capital, share premiums, reserves, valuation reserves and treasury shares	9,877,656	9,865,097	12,559	0.1%	10,018,158	-140,502	-1.4%
Non-controlling interests	514,451	535,901	-21,450	-4.0%	539,941	-25,490	-4.7%
Profit for the period/year	42,061	116,765	n.s.	n.s.	75,928	-33,867	-44.6%
Total liabilities and equity	**116,689,237**	**117,200,765**	**-511,528**	**-0.4%**	**119,923,590**	**-3,234,353**	**-2.7%**

UBI Banca Group: Reclassified consolidated income statement

Figures in thousands of euro	31.3.2016 A	31.3.2015 B	Changes A-B	% changes A/B	31.12.2015 C
Net interest income	387,600	430,605	(43,005)	(10.0%)	1,631,055
of which: effects of the purchase price allocation	*(5,616)*	*(6,503)*	*(887)*	*(13.6%)*	*(27,149)*
Net interest income excluding the effects of the PPA	*393,216*	*437,108*	*(43,892)*	*(10.0%)*	*1,658,204*
Dividends and similar income	523	533	(10)	(1.9%)	10,349
Profits of equity-accounted investees	5,252	6,168	(916)	(14.9%)	35,260
Net fee and commission income	337,146	341,192	(4,046)	(1.2%)	1,300,119
of which performance fees	*2,311*	*6,874*	*(4,563)*	(66.4%)	*35,182*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	15,714	58,024	(42,310)	(72.9%)	290,633
Other net operating income/expense	26,705	29,489	(2,784)	(9.4%)	103,448
Operating income	**772,940**	**866,011**	**(93,071)**	**(10.7%)**	**3,370,864**
Operating income excluding the effects of the PPA	***778,556***	***872,514***	***(93,958)***	***(10.8%)***	***3,398,013***
Staff costs	(319,787)	(334,930)	(15,143)	(4.5%)	(1,295,090)
Other administrative expenses	(171,800)	(147,932)	23,868	16.1%	(727,067)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(36,042)	(38,498)	(2,456)	(6.4%)	(153,024)
of which: effects of the purchase price allocation	*(3,289)*	*(3,274)*	*15*	*0.5%*	*(13,158)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(32,753)*	*(35,224)*	*(2,471)*	*(7.0%)*	*(139,866)*
Operating expenses	**(527,629)**	**(521,360)**	**6,269**	**1.2%**	**(2,175,181)**
Operating expenses excluding the effects of the PPA	***(524,340)***	***(518,086)***	***6,254***	***1.2%***	***(2,162,023)***
Net operating income	**245,311**	**344,651**	**(99,340)**	**(28.8%)**	**1,195,683**
Net operating income excluding the effects of the PPA	***254,216***	***354,428***	***(100,212)***	***(28.3%)***	***1,235,990***
Net impairment losses on loans	(155,339)	(190,192)	(34,853)	(18.3%)	(802,646)
Net impairment losses on other financial assets and liabilities	252	(966)	1,218	n.s.	(16,866)
Net provisions for risks and charges	(6,368)	(4,319)	2,049	47.4%	(2,975)
Profits (losses) from the disposal of equity investments	402	(309)	711	n.s.	464
Pre-tax profit from continuing operations	**84,258**	**148,865**	**(64,607)**	**(43.4%)**	**373,660**
Pre-tax profit from continuing operations excluding the effects of the PPA	***93,163***	***158,642***	***(65,479)***	***(41.3%)***	***413,967***
Taxes on income for the period/year from continuing operations	(34,352)	(61,998)	(27,646)	(44.6%)	(161,121)
of which: effects of the purchase price allocation	*2,952*	*3,241*	*(289)*	*(8.9%)*	*13,362*
Profit for the period/year attributable to non-controlling interests	(7,400)	(9,749)	(2,349)	(24.1%)	(29,765)
of which: effects of the purchase price allocation	*521*	*559*	*(38)*	*(6.8%)*	*2,115*
Profit for the year/period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*47,938*	*83,095*	*(35,157)*	*(42.3%)*	*207,604*
Profit for the period/year attributable to the shareholders of the Parent before redundancies and impairment	**42,506**	**77,118**	**(34,612)**	**(44.9%)**	**182,774**
Redundancy expenses net of taxes and non-controlling interests	(445)	(1,190)	(745)	(62.6%)	(62,705)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	-	-	-	(3,304)
Profit for the period/year attributable to the shareholders of the Parent	**42,061**	**75,928**	**(33,867)**	**(44.6%)**	**116,765**

Total impact of the purchase price allocation on the income statement	*(5,432)*	*(5,977)*	*(545)*	*(9.1%)*	*(24,830)*

UBI Banca Group: Reclassified consolidated quarterly income statements

Figures in thousands of euro	2016 1st Quarter	2015 4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net interest income	387,600	385,240	398,667	416,543	430,605
of which: effects of the purchase price allocation	*(5,616)*	*(6,901)*	*(6,630)*	*(7,115)*	*(6,503)*
Net interest income excluding the effects of the PPA	*393,216*	*392,141*	*405,297*	*423,658*	*437,108*
Dividends and similar income	523	1,578	3,452	4,786	533
Profits of equity-accounted investees	5,252	12,104	3,583	13,405	6,168
Net fee and commission income	337,146	330,574	300,467	327,886	341,192
of which performance fees	*2,311*	*22,496*	*878*	*4,934*	*6,874*
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	15,714	151,705	27,830	53,074	58,024
Other net operating income/expense	26,705	22,611	24,162	27,186	29,489
Operating income	**772,940**	**903,812**	**758,161**	**842,880**	**866,011**
Operating income excluding the effects of the PPA	***778,556***	***910,713***	***764,791***	***849,995***	***872,514***
Staff costs	(319,787)	(322,360)	(317,957)	(319,843)	(334,930)
Other administrative expenses	(171,800)	(272,472)	(141,642)	(165,021)	(147,932)
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets	(36,042)	(38,294)	(36,952)	(39,280)	(38,498)
of which: effects of the purchase price allocation	*(3,289)*	*(3,283)*	*(3,285)*	*(3,316)*	*(3,274)*
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets excluding the effects of the PPA	*(32,753)*	*(35,011)*	*(33,667)*	*(35,964)*	*(35,224)*
Operating expenses	**(527,629)**	**(633,126)**	**(496,551)**	**(524,144)**	**(521,360)**
Operating expenses excluding the effects of the PPA	***(524,340)***	***(629,843)***	***(493,266)***	***(520,828)***	***(518,086)***
Net operating income	**245,311**	**270,686**	**261,610**	**318,736**	**344,651**
Net operating income excluding the effects of the PPA	***254,216***	***280,870***	***271,525***	***329,167***	***354,428***
Net impairment losses on loans	(155,339)	(245,013)	(168,534)	(198,907)	(190,192)
Net impairment losses on other financial assets and liabilities	252	(10,464)	(3,054)	(2,382)	(966)
Net provisions for risks and charges	(6,368)	44,794	(18,634)	(24,816)	(4,319)
Profits (losses) from the disposal of equity investments	402	81	300	392	(309)
Pre-tax profit from continuing operations	**84,258**	**60,084**	**71,688**	**93,023**	**148,865**
Pre-tax profit from continuing operations excluding the effects of the PPA	***93,163***	***70,268***	***81,603***	***103,454***	***158,642***
Taxes on income for the period from continuing operations	(34,352)	(33,342)	(28,632)	(37,149)	(61,998)
of which: effects of the purchase price allocation	*2,952*	*3,376*	*3,287*	*3,458*	*3,241*
Profit for the period attributable to non-controlling interests	(7,400)	(7,151)	(5,506)	(7,359)	(9,749)
of which: effects of the purchase price allocation	*521*	*529*	*423*	*604*	*559*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment excluding the effects of the PPA	*47,938*	*25,870*	*43,755*	*54,884*	*83,095*
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**42,506**	**19,591**	**37,550**	**48,515**	**77,118**
Redundancy expenses net of taxes and non-controlling interests	(445)	(61,515)	-	-	(1,190)
Impairment losses on goodwill, finite useful life intangible assets and property, plant and equipment net of taxes and non-controlling interests	-	(3,304)	-	-	-
Profit for the period attributable to the shareholders of the Parent	**42,061**	**(45,228)**	**37,550**	**48,515**	**75,928**
Total impact of the purchase price allocation on the income statement	*(5,432)*	*(6,279)*	*(6,205)*	*(6,369)*	*(5,977)*

UBI Banca Group: Reclassified consolidated income statement net of the most significant non-recurring items: details

Figures in thousands of euro	31.3.2016	non-recurring items: Impairment losses on equity instruments, bonds and units of UCITS (AFS)	non-recurring items: Adjustments to redundancy expenses (pursuant to Trade union agreement of 23rd December 2015)	non-recurring items: Interbank Deposit Protection Fund intervention for Banca Tercas	31.3.2016 *net of non-recurring items*	31.3.2015	non-recurring items: Disposal of equity investments	non-recurring items: Impairment losses and recoveries in value on shares, bonds and units in UCITS (AFS)	non-recurring items: IW Bank and UBI Banca Private Investment integration costs	non-recurring items: Redundancy expenses (Purs. to 4th February 2015 Agreement)	31.3.2015 *net of non-recurring items*	Changes A-B	% changes A/B
Net interest income (including the effects of the PPA)	387,600				387,600	430,605					430,605	(43,005)	(10.0%)
Dividends and similar income	523				523	533					533	(10)	(1.9%)
Profits of equity-accounted investees	5,252				5,252	6,168					6,168	(916)	(14.9%)
Net fee and commission income	337,146				337,146	341,192					341,192	(4,046)	(1.2%)
Net income from trading, hedging and disposal/repurchase activities and from assets/liabilities designated at fair value	15,714				15,714	58,024					58,024	(42,310)	(72.9%)
Other net operating income/expense	26,705				26,705	29,489					29,489	(2,784)	(9.4%)
Operating income (including the effects of the PPA)	**772,940**	**-**	**-**	**-**	**772,940**	**866,011**	**-**	**-**	**-**	**-**	**866,011**	**(93,071)**	**(10.7%)**
Staff costs	(319,787)				(319,787)	(334,930)					(334,930)	(15,143)	(4.5%)
Other administrative expenses	(171,800)				(171,800)	(147,932)			1,331		(146,601)	25,199	17.2%
Depreciation, amortisation and net impairment losses on property, plant and equipment and intangible assets (including the effects of PPA)	(36,042)				(36,042)	(38,498)					(38,498)	(2,456)	(6.4%)
Operating expenses (including the effects of the PPA)	**(527,629)**	**-**	**-**	**-**	**(527,629)**	**(521,360)**	**-**	**-**	**1,331**	**-**	**(520,029)**	**7,600**	**1.5%**
Net operating income (including the effects of the PPA)	**245,311**	**-**	**-**	**-**	**245,311**	**344,651**	**-**	**-**	**1,331**	**-**	**345,982**	**(100,671)**	**(29.1%)**
Net impairment losses on loans	(155,339)				(155,339)	(190,192)					(190,192)	(34,853)	(18.3%)
Net impairment losses on other financial assets and liabilities	252	388		(1,933)	(1,293)	(966)		4,466			3,500	(4,793)	n.s.
Net provisions for risks and charges	(6,368)				(6,368)	(4,319)					(4,319)	2,049	n.s.
Profits (losses) from the disposal of equity investments	402				402	(309)	463				154	248	161.0%
Pre-tax profit from continuing operations (including the effects of the PPA)	**84,258**	**388**	**-**	**(1,933)**	**82,713**	**148,865**	**463**	**4,466**	**1,331**	**-**	**155,125**	**(72,412)**	**(46.7%)**
Taxes on income for the period from continuing operations	(34,352)	(101)		532	(33,921)	(61,998)	5	(1,226)	(440)		(63,659)	(29,738)	(46.7%)
Profit for the period attributable to non-controlling interests	(7,400)			67	(7,333)	(9,749)			(30)		(9,779)	(2,446)	(25.0%)
Profit for the period attributable to the shareholders of the Parent before redundancies and impairment	**42,506**	**287**	**-**	**(1,334)**	**41,459**	**77,118**	**468**	**3,240**	**861**	**-**	**81,687**	**(40,228)**	**(49.2%)**
Redundancy expenses net of taxes and non-controlling interests	(445)		445		-	(1,190)				1,190	-	-	-
Profit for the period attributable to the shareholders of the Parent	**42,061**	**287**	**445**	**(1,334)**	**41,459**	**75,928**	**468**	**3,240**	**861**	**1,190**	**81,687**	**(40,228)**	**(49.2%)**